

## Talent Management and Public Sector Performance: Evidence from Ministry of Finance Awka

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### Abstract

*This study was carried out to examine the relationship between talent management and public sector performance. In order to determine the relationship between talent management and public sector performance, the study measured talent management using workforce planning and talent development while public sector performance on the other hand was measured based on staff efficiency. The study adopted Survey Design and data were collected using questionnaire survey. The population of the study consist one hundred and twenty staff of the accounting section of Anambra State ministry of finance. Friedman's ANOVA was used for data analysis, the findings of the study indicate a positive and significant relationship between talent management, workforce planning and public sector performance at 5% significant level. Thus, the study concludes that talent management ensures public sector performance. Based on this, the study recommends that talent management scheme should be used for all categories of staff within the Ministries, Departments, Agencies (MDAs), that have special talent and that MDAs should have a separation between talent management scheme and the total human recourses management style*

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**Keyword:** Talent Management, Talent Development, Workforce Planning, Public Sector Performance.

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### Introduction

The need to improve the effectiveness of the business organization lies at the heart of the management and there are several resources needed to accomplish this including money, material, machine and most importantly; "person". Over the years, the men who work in the corporate organization have been assigned various values, sometimes being referred to as a factor of production and sometimes as the company's human resource (Kehinde, 2012). Talent management is an important activity that enables an organization to have the right people with the skills and expertise to meet the company's immediate and future needs. The process includes

activities such as selection, development, succession, and performance management (Wellins, Smith & Erker, 2009). Talent management is a systematic process and an organization's obligation to attract, engage, develop and retain top talent in an organization. It encompasses all work processes, activities, strategies, practices, and systems designed to develop and retain a superior workforce (Devine & Powell, 2008).

Several studies have revealed that talent management is a tool of employee's retention, motivation and development. Rust and Koketso (2020) study on the perceived challenges to talent management has been marred in many instances by poor recruitment practices; the inability to attract and retain suitably qualified staff; and the lack of performance management systems. Their findings indicate the prediction that the employee engagement and their performance are vital for both of talent management and organization culture. The studies of Lyria (2017) revealed that there is a positive strong correlation between performance of employee and talent management. To remain competitive, the organization needs to be able to effectively function in the absence of selected individuals. This can only be done if the talent management measures and retention strategies are implemented. The implication is done if every employee ultimately plays his overall role for organization performance

The process of managing the supply and demand of talent to achieve business goals represents one of the greatest opportunities for companies not only to overcome these critical problems, but most importantly to survive and thrive in the years to come (Onafowokan, 2014). The two main challenges business organizations and public sector organizations face is the question of how to deal with people and how to deal with risks. Man-made risks include losing job loyalty, dealing with employee resistance to change, employee turnover that leads to the loss of key talent, and layoffs (Adegoroye & Oladejo, 2012; Emeria & Okafor, 2008). To date, capital and technology have often been seen as a fundamental success factor in banks, where until recently the place of human capital has been vigorously watched to outweigh the duo that can easily be replaced as human capital (Singh, 2013).

Most of the studies on talent management and organizational performance in Nigeria were limited to private sector organizations, while limited attempts have been made in Nigerian public sector organizations. For example, Mary, Enyinaa and Ezinne (2015) examined the relationship between talent management and employee performance in Nigeria's public sector; evidence from Delta State. Olufemi, Afegbua and Etim (2020) also focused on the Lagos Ministry of Education in their study on talent management and public sector performance. These studies focused on the South South Geo Political Zone and South West Geo Political Zone respectively while none concentrated on South East Geo Political Zone. Hence the need for the study using Anambra State Ministry of Finance as a reference point. To achieve this purpose, the following hypotheses were formulated:

**H<sub>01</sub>:** Talent Development has no significant relationship with Public Sector Performance in Nigeria

**H<sub>02</sub>:** Workforce Planning has no significant relationship with Public Sector Performance in Nigeria

## 2.0 Review of Related Literature

### **2.1.1 Talent Management**

Talent management is the implementation of integrated strategies or systems to increase productivity in the workplace by developing improved processes to attract, develop, retain, and utilize people with the skills and abilities necessary to meet current and future business needs (Kehinde, 2012).

Cappell (2006) is of opinion that talent management is a planning tool for human resource management since talent management is a planning tool very similar to human resource planning, but where Human Resource experiences, a real opportunity to contribute to the organization, it is the quality of the implementation that they plan. Talent management is the systematic acquisition, identification, development, involvement / retention and provision of people who are of particular value to an organization, either with regard to their high potential for the future or because they fulfill business / mission-critical roles.

According to the Chartered Institute of Personnel and Development (2012), talent management is the systematic acquisition, identification, development, involvement, retention and provision of people who are of particular value to an organization, either because of their high potential for the future or because they fulfill business - / mission-critical roles. Talent management is one of the critical aspects of human resource management that improves the effectiveness of the organization by increasing the potential of employees who are overwhelmed with prospects for the difference in value in the organization's current and future endeavors (Olufemi, Afegbua & Etim, 2020).

### **2.1.2 Firms Performance**

Firm Performance is the output directed by the individual who has been assigned a specific task over a while with a laid down set of circumstance within the period under review. Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Omaliko and Okpala, 2020).

Cheng, Wang, Lee and Teng (2012) defined performance as the degree of measure organization put in to achieve their goals and advocated that performance goal should be synonyms. Firm Performance should include efficiency and effectiveness. Efficiency means doing the thing right, quantitatively determined by the ratio of output to input. Effectiveness is “doing the right thing” a relatively vague, non-quantitative concept, mainly concerned with achieving objectives. The function of firm performance measurement is not just informing managers but providing a better way to examine the long-term competitive ability and enterprise value.

### **Theoretical Framework**

The theoretical framework which gives the meaning of a word in terms of the theories on talent management and performance established in this study is Person-Job Fit Theory (PJFT). It assumes both knowledge and acceptance of this theory that this research work depends upon.

## **Person-Job Fit Theory**

The concept of person-job-fit is the traditional basis for personnel selection (Werbel & Gilliland, 1999). The primary concern in recruiting has been to find applicants who have the skills and abilities required for the position. Traditionally, P-J adjustment is assessed by determining the requirements of the job through a job analysis that identifies the key work tasks that an incumbent performs and the skills, knowledge, and skills required to complete the work tasks. The process of determining the P-J fit has become increasingly sophisticated, identifying both statistically reliable and valid methods that can be used to determine the P-J fit. The assessment of the P-J ability also found legal support through the development of uniform guidelines in 1978 on the selection process for employees (Werbel and Gulliland, 1999). Hence, this study is anchored on the Person-Job-Fit Theory, as the theory assumes that superior performance can be captured when an organization pays adequate attention to skill development. These skills help to make worthy use of resources to add value to the company and help it stand out from the competition.

## **Empirical Review**

Foteini, Konstantinos, Hugh and Manar (2022), in their exploratory study on talent management and performance in the public sector: the role of organizational and line managerial support for development found that there is a strong positive relationship between public sector institution and Talent management practices.

Olufemi, Afegbua and Etim (2020), examined talent management and public sector performance an assessment of Lagos State Ministry of Education, Nigeria using survey design and Pearson moment correlation revealed that adequate talent management strategy is needed to enhance performance in public sector organizations as it will help in the maintenance of core competencies, employees' retention, commitment, increase productivity, as well as lower recruitment costs. Boxall and Purcell (2003) argue that businesses need to attract and nurture people who have the skills and abilities that will help improve business performance. The study concludes that talent management determines corporate performance.

Aposporia, Nikandroua, Brewsterb and Papalexandrisa (2008) on human resource management and corporate performance in Northern and Southern Europe also found that recruiting was positively related to corporate performance. Taie (2015) found that talented workers are two to three times more productive than the average worker. The greater their number in an organization, the more productivity and sustainability there is in abundance. Talent management involves positioning the right people in the right jobs, which leads to high performance in the organization. However, keeping these talented employees is a major challenge for the HR department, so there is a need to pay attention to compensation.

Similarly, Chepchumba and Kimutai (2017) show that remuneration increases the likelihood of employees staying by 13.9% and reduces their intention to leave by 26.2%. This study showed that small companies are more likely to lose talent than large companies due to the discrepancy in their respective compensation packages.

Iqbal, Qureshi, Khan and Hijazi (2013) also examined the relationship between talent management practices and employee emotional stability in Pakistan. The study was carried out with a quantitative approach and the questionnaire was distributed to 150 management employees who work in 25 listed companies in Pakistan. The results show that talent management practices have a positive impact on organizational performance and the emotional stability of employees. According to the authors, talent management has made a significant contribution to both the performance of the organization and the emotional stability of the employees.

Wurim, (2012) also conducted research on talent management and organizational productivity in a public sector company. The study used a survey research method to collect data and used Kruskal-Wallis test statistics to analyze the data. The result shows that the implementation of suitable strategies, processes and programs for talent management has a significant impact on employee productivity.

Lyria (2013) examined the role of talent management on business performance in Kenya. This study was conducted using an empirical review of previous studies related to the main study to identify gaps in the literature, and studies show that previous research did not integrate talent management and business performance.

Similarly, Sakineh, Mehrdad, and Hasan (2012) examined the relationship between talent management and corporate success. This research was conducted using a descriptive correlation approach and the study population includes the Department of Youth and Sports in West Azerbaijan Province in Iran. The Pearson correlation test was used to determine the relationship between the elements of talent management and business success at a significant level of 5%, and the statistical tool SPSS (version 16) was used to analyze the data. The result showed that talent management has a significant connection with organizational success.

Katou and Budhwar (2007) used operational measures such as effectiveness, efficiency, development, quality, innovation. The performance measures of our model are similar to the measures of these studies. Based on the empirical evidence, it was concluded that employee attraction / recruitment is related to company performance.

## **Methodology**

The research design used in this study is survey design. It was established to predict and envisage the nature of the relationship that subsists between talent management and public sector performance. Thus, the population of the study comprises of 120 staff in the relevant accounting section of Anambra State Ministry of Finance in different ministries, departments, agencies and parastatals from the record of Anambra State civil service commission. For data accessibility, simple random sampling techniques was used to select eighty (80) staff in the accounting section of Ministry of Finance within Awka Metropolis other than those in various MDAs outside Awka in Anambra State.

Data for the study were obtained from primary sources. The questionnaire was designed with five (5) Likert point scale referred to as: (1) to a very high extent, (2) to a high extent, (3) neutral (4) to a very low extent and (5) to a low extent, which were validated by two experts for

accurate content and face validity. The reliability of the study was carried out using a test re-test technique with the aid of Pearson correlation which yielded a coefficient of 0.75 indicating that the instrument was reliable. 80 copies of the validated questionnaire were administered to the relevant accounting sections of Ministry of Finance (Ministry, Departments, Agencies & Parastatals) in Awka Metropolis. The hypotheses were statistically tested using Friedman's ANOVA operated with SPSS Version 20 at 5% level of significance.

### Test of Hypotheses

**Table 1: Result on the Relationship between Talent Development and Public Sector Performance**

	Null Hypothesis	Test	Sig.	Decision
1	The distributions of TDEV and PSP are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.025	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

**Table 2: Result on the Relationship between Workforce Planning and Public Sector Performance**

	Null Hypothesis	Test	Sig.	Decision
1	The distributions of WFP and PSP are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.002	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

### Discussion of Findings

The result of the analysis of the study using Friedman's ANOVA is expressed as follows:

**H<sub>01</sub>:** Talent Development has no significant relationship with Public Sector Performance in Nigeria

In light of the above analysis, as shown in Table 1, the result shows that there is a significant and positive relationship between talent development and public sector performance. With a P-value of 0.025, the test is considered statistically significant at the 5% level. On this basis, we rejected the null hypothesis and accepted the alternative hypothesis, which claims that talent development has a significant correlation with public sector performance in Nigeria. This is in line with the study by Foteini, Konstantinos, Hugh and Manar (2022), Katou and Budhwar (2007), Aposporia, Nikandroua, Brewsterb and Papalexandrisa (2008). Lyria (2013), who found that talent development is linearly and positively related to corporate performance.

**H<sub>02</sub>:** Workforce Planning has no significant relationship with Public Sector Performance in Nigeria

In light of the above analysis, as shown in Table 2, the result shows that there is a significant and positive relationship between workforce planning and public sector performance. With a P value of 0.002, the test is considered to be statistically significant at the 1% level. On this basis, we rejected the null hypothesis and accepted the alternative hypothesis, which claims that workforce planning has a significant relationship with public sector performance in Nigeria. This is in line with the a priori expectations of Olufemi, Afegbua and Etim (2020), Sakineh, Mehrdad and Hasan, (2012) who found a significant and positive correlation between workforce planning and corporate performance.

## **Conclusion**

The study concludes that talent management ensures public sector performance in Nigeria.

## **Recommendation**

Based on the findings of the study, it was recommended that talent management scheme should be used for all categories of staff within the Ministries, Departments, Agencies (MDAs) that have special talent. Also, MDAs should have a separation between talent management scheme and total human resources management style.

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## Appendix 1

### QUESTIONNAIRE

#### SECTION A: Personal Data of Respondent

**Sex:** Male [ ] Female [ ]

**Designation:**

Accountant I [ ]

Accountant II [ ]

Senior Executive Officer [ ]

Higher Executive Officer [ ]

Director of Accounts [ ]

#### SECTION B: Questionnaire Items

**Instruction:** Kindly read through all the item statements carefully and indicate your response against each statement by ticking [] in the appropriate column using the following response options.

**To a Very High Extent (VHE)**

**To a High Extent (HE)**

**Neutral (N)**

**To a Very Low Extent (LE)**

**To a Very Low Extent (VLE)**

#### Talent Management and Public Sector Performance

S/N	STATEMENTS	VHE	HE	N	LE	VLE
1	Does Talent Development ensure Public Sector Performance?					
2	Is there positive relationship between Talent Management and Public Sector Performance?					
3	Does Employees Compensation ensure Public Sector Performance?					
4	Does Workforce Planning ensure Public Sector Performance?					
5	The relationship between Workforce Planning and Public Sector Performance is positive?					
6	Does Talent Development ensure Accountability in the Public Sector?					
7	Does Workforce Planning ensure Accountability in the Public Sector?					